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## **Thailand**

### **Rice Price - Weekly**

### **Weekly Rice Price Update**

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**Report Highlights:**

TH0095 Export and domestic prices increased significantly by 2-5 percent as exporters are securing parboiled rice to fulfill their outstanding shipments to African countries. Also, domestic supplies of paddy are reportedly tight. Ministry of Agriculture and Cooperatives' estimated drought damage area is at 182,000 rai (29,120 hectares), accounting for approximately 2 percent of the off-season crop.

**Post:**

Bangkok

## Market Tone

**Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending June 28, 2010**

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
FWR 100 B	945	-	980	-	950	935	-	953	946
WR 100 B	460	-	470	-	475	465	480	470	462
PB 100%	475	-	500	-	480	485	500	488	468
PB 5%	470	-	480	-	475	480	495	480	461
WR 5%	430	-	450	-	460	440	460	448	439
WR 10%	425	-	425	-	445	435	-	433	420
WR 15%	410	-	410	-	-	425	-	415	408
WR 25%	390	-	400	-	-	405	-	398	392
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	330	-	340	-	340	345	-	339	328
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 32.2 baht/U.S.\$

Source: Average actual prices received from exporters

Export and domestic prices increase significantly by 2-5 percent, particularly for parboiled rice, as exporters are securing parboiled rice to fulfill their outstanding shipments to African countries. Domestic supplies of paddy are reportedly tight as the harvest of the off-season crop comes to an end. In addition, the off-season crop which was planted late in the period was affected by drought. The Ministry of Agriculture and Cooperatives' estimated the damage area is at 182,000 rai (29,120 hectares), accounting for approximately 2 percent of the off-season crop. This situation added additional pressure on paddy supplies, which are already under strain due to the increase in demand of parboiled rice which requires paddy for its production. New main crop cultivation is well underway in major growing areas as rainfall is normalizing after suffering a month long delay. Last week foreign enquiries started to pick-up momentum; however they slowed down as prices increased as exporters drove prices up in order to fulfill their parboiled rice orders. Also, foreign buyers are not willing to place orders as they expect a downward trend in prices in anticipation of a government stock release, which currently stands at 5-6 million tons.

The weekly benchmark price for white rice for June 28 – July 4 increased by 2.5 percent as such farmers will receive smaller compensation from the previous week. However, farmers selling their supplies in this period will be able to arbitrage as market prices are above the benchmark prices.

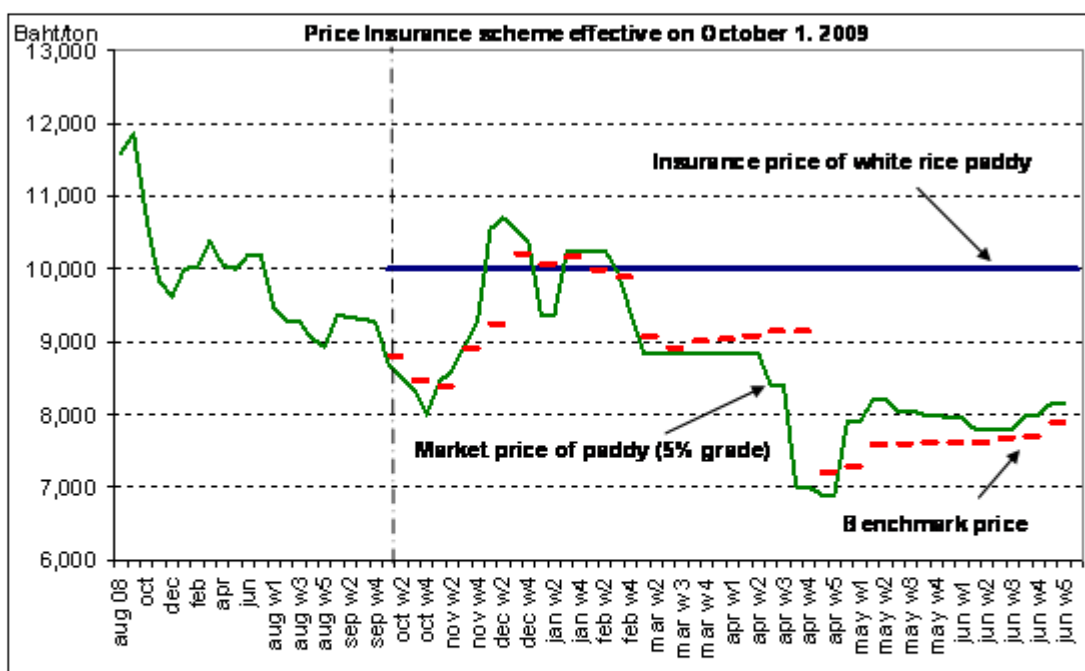
**Table 2: Price Insurance Scheme for MY2009/2010 rice crop**

	Rice paddy				
	Fragrant rice (Hom Mali)	Provincial fragrant rice	Pathum fragrant rice	Glutinous rice	White rice
1. Eligible tonnage (ton/household) <sup>a/</sup>	14	16	25	16	25
2. Insured prices (Baht/ton) <sup>a/</sup>	15,300	14,300	11,000 <sup>d/</sup>	9,500	10,000
3. Benchmark prices (Baht/ton) <sup>b/c/</sup>					
May 31 - Jun 6	-	-	9,728	12,441	7,614
Jun 7 - 13	-	-	9,745	12,401	7,614
Jun 14-20	-	-	9,670	12,318	7,672
Jun 21-27	-	-	9,745	12,393	7,700
Jun 28 - Jul 4	-	-	9,970	12,505	7,891
4. Compensation (1-2), (Baht/ton)					
May 24-30	-	-	1,214	-	2,388
May 31 - Jun 6	-	-	1,218	-	2,386
Jun 7-13	-	-	1,255	-	2,386
Jun 14-20	-	-	1,330	-	2,328
Jun 21-27	-	-	1,255	-	2,300
Jun 28 - Jul 4	-	-	1,030	-	2,109
5. Market prices (Baht/ton)					
May 24-30	13,400	13,250	10,050	13,300	8,000
May 31 - Jun 6	13,400	13,250	9,600	13,350	7,950
Jun 7-13	13,400	11,750	9,350	13,350	7,800
Jun 14-20	13,000	11,750	9,350	13,850	7,800
Jun 21-27	13,150	11,750	9,350	13,850	8,000
Jun 28 - Jul 4 <sup>e/</sup>	13,250	11,750	9,350	13,850	8,150

Note:

<sup>a/</sup> Cabinet approval on Sep. 22, 2009<sup>b/</sup> Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average historical wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.<sup>c/</sup> Starting Apr. 26, 2010 the benchmark prices will be based on average wholesale price of last week in Bangkok.<sup>d/</sup> The insured prices of MY 2009/10 second-crop Pathum Fragrant rice were revised up from 10,000 tons/MT in MY2009/10 main-crop price insurance scheme, effective Mar. 16, 2010<sup>e/</sup> As of June 28, 2010

**Figure 1: Comparison of market price, insurance price, and benchmark price**



Note: 1/ Benchmark prices are average historical wholesales prices which will be used for the calculation of compensation to farmers. The compensation is based on the difference between insurance prices and benchmark prices.

2/ Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average historical wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.

3/ Starting Apr. 26, 2010 the benchmark prices will be based on average wholesales price of last week in Bangkok.

## Rice Export Update

Unofficial rice exports (excluding fragrant rice) for June 21-27, 2010 totaled 103,458 tons, down 1,568 tons from the previous week, and up 5,872 tons from the four-week moving average of 97,586 tons. Exports of white rice and parboiled rice during January 1 – June 27, 2010 totaled 2,859,377 tons, down 1.9 percent from 2,915,350 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – June 21, 2010 amounted to 3,800,002 tons, down 8.3 percent from 4,142,001 tons in the previous year.

**Table 3: Weekly rice exports (excluding fragrant rice)**

WEEK ENDING	QUANTITY	4 WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	(%)
Apr 18	55,038	91,545	1,778	1,494	19.0
Apr 25	103,306	93,911	1,881	1,640	14.7
May 2	101,686	94,054	1,982	1,783	11.5
May 9	122,091	95,530	2,104	1,918	9.7
May 16	119,212	111,574	2,223	2,053	8.3
May 23	115,187	114,544	2,339	2,222	5.3
May 30	130,142	121,726	2,469	2,355	4.8
Jun 6	98,942	115,938	2,568	2,493	3.0
Jun 13	82,918	106,865	2,651	2,640	0.4
Jun 20	105,026	104,325	2,756	2,758	-0.1
Jun 27	103,458	97,586	2,859	2,915	-1.9

*Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.*

Source: Board of Trade of Thailand

**Table 4: Weekly private registered rice export sales**

Movement (MT)	Jun. 7-11	Jun. 14-18 (Revised)	Jun. 21-25 (Preliminary)
Weekly sales	68,801	88,149	81,364
4 week sum	452,203	363,995	322,715
4 week mov. avg.	113,051	90,999	80,679
Year-to-date sales	2,976,513	3,064,662	3,146,026

End of report.